Serbia Railway Dispatching System Procurement Agreement

By

Huawei Technologies d.o.o. Beograd,

And

S&T Iskratel, informacijske in komunikacijske rešitve, d.o.o.

Agreement No.:

FPA3411SRB22102310223872

1.1 The Parties

Huawei Technologies d.o.o. Beograd, a company incorporated under the laws of Republic of Serbia, with its business office at Omladinskih brigada 90D, Belgrade, Serbia (hereinafter referred to as "Huawei Serbia").

S&T Iskratel, informacijske in komunikacijske rešitve, d.o.o., a company incorporated under the laws of Republic of Slovenia, with its registered office at Republic of Slovenia, 4000 Kranj, Ljubljanska cesta 24A (hereinafter referred to as "Supplier").

Depending on the circumstances, Huawei Serbia and Supplier are hereinafter referred to collectively as the "Parties" and individually as a "Party", as the case may be.

1.2 Effective Date

This Project Purchase Agreement (this "Agreement") shall come into effect on October 11th .2022 ("Effective Date") upon being signed by the Parties. If the actual signature date is later than the Effective Date, the Parties confirm that this Agreement shall have retrospective effect from the Effective Date and expired on [redacted] 31. 12. 2029

S&T ISKRATEL Kontron Group
S&T Iskratel d. o. o. Ljubljanska cesta 24A, 4000 Kranj 41

1.3 Whereas

(1) Huawei Serbia and Supplier have signed the Master Purchase Agreement (No: MPA0021CHN21030710085755, "MPA", including its subsequent upgrades and updated versions).

(2) Huawei Serbia agrees to purchase from Supplier, and Supplier agrees to sell to Huawei Serbia Railway dispatching system required by the Serbia project, including hardware, software and services according to the offer PA50-L1-061575/3 from October 4, 2022.

(3) The official PO, rather than this Agreement, shall constitute Huawei Serbia's authorization for Supplier to start the work.

NOW, THEREFORE, the Parties, on the basis of free will and equality and through friendly negotiation, enter into this Agreement based on the MPA for mutual compliance. Matters not covered in this Agreement shall be subject to provisions of the MPA.

2. Definitions

For the purposes of this Agreement, the terminologies are defined (in English alphabetical order) as follows.

2.1 "FAT" is short for Final Acceptance Test.

2.2 "PAT" (also referred to as "Provisional Acceptance Test") is short for Preliminary Acceptance Test.

2.3 "Warranty Period" means the period of time during which Supplier will maintain and repair the Product free of charge from the date when the Serbia Railway Dispatching System Project passes the FAT and Huawei Serbia issues a Final Acceptance Certificate (FAC), to ensure the normal use of the Product.

For the avoidance of doubt, the requirements for PAT and FAT under this Agreement apply only to the Services.

3. Project Details

3.1 Project Name

Serbia Railway Dispatching System Project。

3.2 Project Progress

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The delivery progress of the railway dispatching system project must match the overall progress of the GSM R project in Serbia. The latest progress plan of Huawei Serbia prevails.

3.3 Product Information

(1) For details about the Product under this Agreement, see the attached 1 " 《Dispatching system & Voice recording system quotation》 " (hereinafter referred to as "BOQ").

(2)Product quality requirements

a) Supplier shall ensure that the Product is systematic and standardized and that the Product is compatible with Huawei Serbia's and/or its customers' systems.

b) For technical specifications and requirements, supplier shall fulfill "Technical Specifications for 《Huawei Serbia GSM-R Dispatcher Server Terminals NMS and VRS Specification》 " (hereinafter referred to as "Technical Specifications") following the statement of compliance submitted by supplier.

(3) If the delivered Product involves Open Source Software, Supplier shall meet the business and law requirement of using open source software.

3.4 Service Information

(1) **Service commitments**

a) The Service commitments under this Agreement are made for the Product provided by Supplier.

b) Supplier shall complete the Service delivery related resources and manpower preparation within 10 days after Huawei Serbia issues a PO, under the condition that PO for services is forecasted at least 30 days before its issue date and receipt of written confirmation from the Huawei Serbia that premises are ready for equipment installation.

c) Warranty Period: Supplier shall provide free maintenance and repair Services for the Product within Five years from the date on which Huawei Serbia issues an FAC, but not longer than 7 years from delivery of the Product.

d) During the Warranty Period, Supplier shall provide the following Services:

i Hardware warranty Service: It refers to the Service provided by Supplier for hardware failures of the equipment under this Agreement. Supplier shall provide a complete repair process for the defective parts and ensure that the repair process is unblocked.

ii Remote technical support Service: Supplier shall open a service hotline to provide Huawei Serbia and Huawei Serbia's customers with 24/7 free remote technical support Service based on the time zone in the place where Huawei Serbia's customers are located, and assist Huawei Serbia to solve daily system problems and failures. If the hotline needs to be changed, Supplier shall inform Huawei Serbia in writing at least fifteen days in advance.

iii One-time on-site Service: For problems that cannot be resolved by remote technical support, Supplier shall have the capability of providing on-site Service. Supplier shall, at the request of Huawei Serbia, provide on-site Service free of charge. After the problem is solved, Supplier shall provide a root cause analysis report within one month. If the time stipulated in the "Technical Specifications" is shorter than one month, the agreement in the "Technical Specifications" shall prevail.

iv In case of any failure of the Product under this Agreement, Huawei Serbia shall inform Supplier of the details of the failure in a timely manner.

e) For system failures caused by Supplier's Product design defects (Product design defects refer to unreasonable Product designs, i.e., Product defects caused by pre-conceived ideas, solutions, plans, arrangements, patterns, and other design-related matters before Supplier manufactures the Product), Supplier shall provide free and timely troubleshooting and a thorough solution to minimize the customer's loss. If a customer suffers significant losses due to a design defect and requests compensation or a fine, Supplier shall negotiate with Huawei Serbia and the customer actively and assume the corresponding compensation or fine to ensure that Huawei Serbia's interests are not infringed.

f) Maintenance support Service (hereinafter referred to as "Maintenance"): To ensure stable operation of the Product provided by Supplier upon expiration of the Warranty Period, Supplier undertakes to provide Maintenance for no less than Fifteen years. If Huawei Serbia requires Supplier to perform Maintenance during such period, Huawei Serbia shall issue a

PO to purchase it from Supplier, and Supplier shall provide Huawei Serbia with Maintenance that is not lower than the Service standards during the Warranty Period.

(2) **Spare parts support**
Supplier undertakes that Huawei Serbia can purchase spare parts for the Product during the Product life cycle. Upon expiration of the Maintenance period agreed by the Parties, if Supplier no longer provides the hardware warranty Service, Supplier shall inform Huawei Serbia at least six months in advance and provide sufficient spare parts for Huawei Serbia or end users to purchase. The price of spare parts of the same specifications and models shall not be higher than the agreement in this Agreement, and the specific price shall be negotiated separately by both Parties.

(3) **Other Services, not included in the price**
Supplier shall provide the following Services at Huawei Serbia's written request:
a) Conduct or supervise on-site assembly/Commissioning/trial operation of the Product.
b) Provide the tools needed to assemble or repair the Product.
c) Provide the detailed specification, operation manual, and maintenance manual of the Product.
d) Operate, supervise, maintain, and repair the Product supplied during the period agreed by the Parties.
e) Provide training to Huawei Serbia's engineers and customers.

(4) If the provisions of this clause are inconsistent with those in the attached "Technical Specifications", the latter shall prevail.

(5) After the two-year free warranty period ends, the supplier needs to provide three-year warranty service（Including 5*8h hotline and response within 24 hours, software support, hardware repair or replacement, remote support (technical inquiry and troubleshooting).
In addition, spare parts for five years must be provided to support the running of devices on the live network. For details, see the 《Huawei Serbia GSM-R Dispatcher Server Terminals NMS and VRS Specification》 and 《Dispatching System & Voice Recording System Quotation》

4 Price and Payment

4.1 Price

(1) The price is the total remuneration payable by Huawei Serbia to Supplier for complete and correct delivery of Products and/or Services, and shall be the only amount payable by Huawei Serbia to Supplier under this Agreement and PO. Supplier shall be responsible for and shall accept all losses arising from additional costs or expenses unaccounted in the price due to Supplier's negligence or mistake.

(2) The currency quoted in this Agreement and its attachments is EURO and understood DAP Huawei Serbia warehouse Serbia (Incoterms 2020).

NUM	COMPONENTS	UNIT	Unit Price(EUR, Without VAT)
1.1	**Dispatcher terminals**		
1.1.1	• Dispatcher terminal with EIRENE functionalities (Train Dispatcher Terminal) including • On-site installation, Commissioning and Integration • 5 years technical Support and warranty	set	15,930.15

4.2 Payment

The Parties shall make settlements in accordance with the provisions of this clause.

(1) **Payment milestone and payment term:**

a) **Product**:

i. Milestone:
Supplier's Product is delivered to Huawei Serbia, and Huawei Serbia signs the relevant delivery documents.

b) **Services**:

i. Milestone:

The supplier provides the service purchase confirmation letter (PO for services), provides the service completion report, and Huawei Serbia signs the relevant delivery documents (Iskratel service completion report)

c) **Maintenance**:

i. Milestone:
After completing the annual maintenance service, the Supplier shall provide the service purchase confirmation letter, provide the service completion report, and Huawei Serbia signs the relevant delivery documents, and Huawei Serbia pay 100% of the annual maintenance PO amount after the credit term is met.

(2) **Payment terms**

- 70% of the total Agreement amount shall be paid within 60 days from the date of the issuance of the Supplier's Invoice for Delivery
- 6% of the total amount will be paid 60 days from date of commissioning,
- 16% of the total amount will be paid not later than 30.06.2027
- 4% of the total amount will be paid not later than 30.06.2028
- 4% of the total amount will be paid not later than 30.06.2029.

After the agreed payment milestone is reached and the payment support document submitted is approved by Huawei Serbia, Supplier shall issue an invoice to Huawei Serbia and deliver it to Huawei Serbia's Financial Department in a timely manner. Huawei Serbia shall pay the corresponding amount on the first Centralized Payment Date following the date that is 60 calendar days after Huawei accepts the invoice

(3) **Payment method:**

Bank transfer. Huawei Serbia will make the payment to Supplier's bank account provided by Supplier in the process of Supplier qualification. If Supplier needs to change the bank account information, it shall send a written notice to Huawei Serbia and confirm with Huawei Serbia whether it has received and accepted the above notice. Bank account changes will take effect fifteen (15) days from the date of Huawei Serbia's receipt of a change notice. Before the change notice takes effect, Huawei Serbia will continue to pay to the previously designated bank account.

(4) **Invoice requirements:**
Original official invoice. The invoice shall specify the PO number, payment milestone, tax, and other information, and in principle one invoice only corresponds to one PO number.

(5) In the following cases, Huawei Serbia may refuse to pay the relevant fees/payments without assuming any liability for breach:

a) Supplier requests that the payment be made to a non-partner's account, i.e., "entrusted collection of payment";

b) The Parties have different opinions in terms of the amount payable and the amount to be offset.

5 Delivery

Lead time:Both sides agreed that the equipment will be delivered by the end of 2022.

5.1 Delivery method (location): DAP Huawei Serbia Beograd, Serbia warehouse (INCOTERMS 2020). If Huawei Serbia requests to change the delivery location, it shall inform Supplier fifteen (15) days before the date of delivery agreed in the PO.

Huawei Serbia Beograd address：. Central WH Huawei: Milsped WH5d, Njegoseva 2, 22310 Simanovci

5.2 Delivery requirements:

(1) Supplier shall inform Huawei Serbia of the shipping details (including but not limited to the shipping time, packing box, and product quantity) within one (1) working day after the delivery.

(2) Supplier shall provide relevant documents, such as the packing list, invoice, and quality certificate, to Huawei Serbia at the time of delivery.

6. Installation, commissioning, and integration

During installation, commissioning and integration period, S&T Iskratel must fully satisfy the specifications according to the technical specifications, and pass all acceptance criteria according to the Huawei Serbia's requirements and mutually agreed acceptance test document.

7. Miscellaneous

7.1 Amendment

Any and all modification, amendment and other changes to this Agreement shall be made in writing and executed by authorized representatives of both Parties.

8. Term and Counterpart

8.1 Term

This Agreement shall come into effect from the Effective Date, and shall terminate when the Parties have fulfilled all of their rights and obligations hereunder. All clauses that should continue to be valid by nature shall survive the termination of this Agreement.

8.2 Counterpart

This Agreement may be executed in three copies, with the supplier holding one copy and Huawei Serbia holding two copies of equal legal effect.

Huawei Serbia (seal):
Huawei Technologies d.o.o. Beograd,

Authorized Representative' Name:
(recognizable font / printed name)

Signature:

Authorized Representative's Title:

Date: 25.10.2022.

Supplier (seal):
S&T Iskratel, informacijske in komunikacijske rešitve, d.o.o.
Authorized Representative' Name:
(recognizable font / printed name)

Signature: TADEJ DRAGAŠ

Authorized Representative's Title: Director of BU Digital Solutions

Date: 24. 10. 2022

S&T ISKRATEL
Kontron Group
S&T Iskratel d. o. o.
Ljubljanska cesta 24a, 4000 Kranj 41

Signature: MARKO LUŠTREK

Authorized Representative's Title: Director of Sales of BU Digital Solutions

Date: 24. 10. 2022

S&T ISKRATEL
Kontron Group

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